

UTILITIES SERVICE BOARD MEETING  
January 23, 2006

UTILITIES SERVICE BOARD MEETINGS ARE RECORDED ELECTRONICALLY OR STENOGRAPHICALLY AND ARE AVAILABLE DURING REGULAR BUSINESS HOURS IN THE OFFICE OF THE DIRECTOR OF UTILITIES.

Board President Swafford called the regular meeting of the Utilities Service Board to order at 5:03 p.m. The meeting was held in Conference Room 100B at the Indiana University Research Park at 501 North Morton Street in Bloomington, Indiana.

Board members present: Tom Swafford, Richard Eherenman, Sam Vaught, Jeff Ehman, Susan Sandberg, John Whitehart and ex-officio member Tim Mayer. Staff members present: Patrick Murphy, John Langley, Mike Bengtson, Mike Trexler, Adam Wason, Mike Hicks, Nathan Schulte, Tom Staley, Jane Fleig, Rick Schroeder and Vickie Renfrow. Others present: Margaret Fette representing the Libertarian Party, Ben Beard representing Gentry Estates, Kurt Van der Dussen representing the Herald Times, Geoff McKim representing Technology Services Corporation, Pedro Roman and Loren and Cheryl Kimsiey.

INTRODUCTION OF NEW BOARD MEMBER:

Board President Swafford introduced and welcomed new Board member Susan Sandberg.

BOARD MEMBER VAUGHT MOVED AND BOARD MEMBER EHRENMAN SECONDED THE MOTION TO APPROVE THE MINUTES OF THE JANUARY 9, 2006, MEETING. MOTION CARRIED. 5 AYES. 1 MEMBER ABSENT (HENKE).

CLAIMS

BOARDMEMBER EHERENMAN MOVED AND BOARDMEMBER VAUGHT SECONDED THE MOTION TO APPROVE THE CLAIMS FOR THE PERIOD DECEMBER 26, 2005 THROUGH DECEMBER 31, 2005 AS FOLLOWS.

CLAIMS 0690052 THROUGH 0690120 INCLUDING \$72,737.82 FROM THE WATER OPERATIONS & MAINTENANCE FUND, AND \$1,100.00 FROM THE WATER SINKING FUND FOR A TOTAL OF \$73,837.82 FROM THE WATER UTILITY; CLAIMS 0630022 THROUGH 0630068 INCLUDING \$48,003.76 FROM THE WASTEWATER OPERATIONS & MAINTENANCE FUND FOR A TOTAL OF \$48,003.76 FROM THE WASTEWATER UTILITY; AND CLAIMS 0670003 FOR A TOTAL OF \$2,198.32 FROM THE WASTEWATER/ STORMWATER UTILITY. TOTAL CLAIMS APPROVED - \$124,039.90.

Board member Henke arrived at this time.

Board member Ehman asked about claim 0630056 which reimbursed the refund account for checks written in December 2005.

Accountant Mike Trexler explained that this had to do with when CBU changed banks. The refund account was changed from a zero balance account to an account with a balance of \$10,000.00. When a customer refund check is written it is written off this account and then a claim check is written off the O & M account to replenish that balance.

Board member Ehman asked about claim number 0670003. He asked to be updated on the time frame for the design specs and standard operating procedures of the stormwater manual.

Assistant Engineer Fleig explained that the claim isn't actually for design specs but is for Rule 13 part C. CBU's consulting engineers have been helping to develop that permitting process.

Board member Ehman also asked about claim 0690053 for Black Lumber Co. Inc. He wanted to know what ceiling radar tiles are. Deputy Director Langley said he didn't know but would find out and get the information to Mr. Ehman.

MOTION CARRIED. 6 AYES.

BOARDMEMBER EHERENMAN MOVED AND BOARDMEMBER EHMAN SECONDED THE MOTION TO APPROVE THE CLAIMS FOR THE PERIOD DECEMBER 26, 2005 THROUGH JANUARY 6, 2006 AS FOLLOWS.

CLAIMS 0690095 THROUGH 0690123 INCLUDING \$286,847.21 FROM THE WATER OPERATIONS & MAINTENANCE FUND, AND \$736,719.00 FROM THE WATER CONSTRUCTION FUND FOR A TOTAL OF \$1,023,566.21 FROM THE WATER UTILITY; CLAIMS 0630057 THROUGH 0630070 INCLUDING \$285,172.96 FROM THE WASTEWATER OPERATIONS & MAINTENANCE FUND FOR A TOTAL OF \$285,172.96 FROM THE WASTEWATER UTILITY; AND A TOTAL OF \$24,552.70 FROM THE WASTEWATER/ STORMWATER UTILITY. TOTAL CLAIMS APPROVED - \$1,333,291.87

Board member Ehman asked about claim 0690103 which was to the State of Indiana. Deputy Director Langley explained that the State charges a .99 fee annually for each service CBU has connected. The money goes to IDEM for enforcement of the Safe Drinking Water Act regulations.

Board member Henke asked about the Danis contract.

Assistant Director of Engineering Bengtson replied that the project is scheduled to be complete sometime in March and looks like it will be a good project.

Board member Vaught asked if there was enough left in the contract to cover any outstanding back charges. Mr. Bengtson said that there was.

MOTION CARRIED. 6 AYES

APPROVAL OF REQUEST TO ENCROACH ON CBU PROPERTY AT LAKE LEMON:

Attorney Vickie Renfrow with the City of Bloomington Legal Department explained that this has to do with some properties that are accessed by a private road that crosses CBU property. The road utilizes an easement that was granted by CBU. The property owners would like to install a sign that makes it clear that their residences are at the end of that road and that it's not a through road. They will have to go outside the easement and install the sign on CBU property. What is usually done in these situations is to give permission to encroach on CBU property.

Loren Kimsiey, one of the property owners, said there have been multiple problems. People often get lost going down that road and turn around in the property owner's yards, emergency vehicles have been unable to find their residences and service contractors can't find them. To add to the confusion the road at one time was called Whispering Pines and is still listed like that on City maps, but the property owner's legal addresses are on John Young Road.

Ms. Renfrow said that she had drafted an agreement for the USB to sign that grants permission to encroach on CBU land to install the sign subject to hold harmless and release language and also subject to CBU's right to remove the sign with 60 days notice.

BOARD MEMBER EHERENMAN MOVED AND BOARD MEMBER VAUGHT SECONDED THE MOTION TO APPROVE THE REQUEST TO ENCROACH ON CBU PROPERTY AT LAKE LEMON. MOTION CARRIED. 6 AYES.

#### OLD BUSINESS:

No old business was presented.

#### NEW BUSINESS:

Utilities Director Murphy introduced Adam Wason the new Public Relations Specialist for CBU.

Board President Swafford said that on Thursday, January 19<sup>th</sup> the exit interview for that State Board of Accounts Audit had taken place. He said it was not a very good report. The Mayor and Mr. Swafford have put together a task force to oversee some changes in CBU's accounting practices. Board President Swafford will be the chair of the committee and Board members Mayer and Vaught will be on the committee along with City Controller Susan Clark, Corporate Council Kevin Robling and a citizen appointment that has yet to be made. Mr. Swafford said that he is confident that the problems will be corrected.

Board member Henke asked if the task force would replace the USB's Finance Committee. Mr. Swafford replied that it would not.

#### SUBCOMMITTEE REPORTS:

Board President Swafford reported that the Engineering Subcommittee had met on January 13<sup>th</sup> to consider a request for sewer extensions for a Blackwell project on Fairfax Road. The project is on 80 acres and phase one has started. The subcommittee recommended denial of sewer extensions for phase one.

BOARD MEMBER HENKE SECONDED THE MOTION TO DENY THE REQUEST FOR SEWER EXTENSIONS TO THE BLACKWELL PROJECT, PHASE ONE.

Board member Mayer pointed out that the developer has started the project on septic and is in agreement over this denial. He will wait until the County provides the USB with maps of areas planned for future development and then reconsider his request.

MOTION CARRIED. 6 AYES.

Board President Swafford asked that a Finance Subcommittee meeting be scheduled at which the subcommittee will discuss bringing in outside consultants to look at CBU's financial problems.

#### STAFF REPORTS:

Utilities Director Murphy said that on January 17<sup>th</sup> there had been a meeting with CBU's wholesale water customers. He is planning to resume the practice of having quarterly meetings. David McGimpsey of Bingham McHale attended the meeting to explain the rate increase process and Assistant Director of Engineering Bengston gave an update on the improvements at the Monroe Water Treatment Plant.

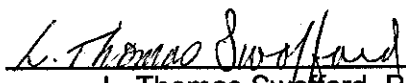
#### PETITIONS AND COMMUNICATIONS:

Board President Swafford noted with some sadness that this would be the final meeting for Board member Richard Eherenman. He presented Mr. Eherenman with a plaque commemorating his 17 years of service to the USB.

Mr. Eherenman said that he had served under three different Mayor's and it had been a very enjoyable and educational experience. He has seen many changes over those years and many problems had been dealt with. He said that the USB is facing many challenges but with a positive attitude they can all be survived and solved. Some of the challenges he mentioned are fixing the problems set forth in the State Board of Accounts Audit, Rule 14 needs to be reconsidered, controlled expansion will be taking place, the State Road 45/46 Bypass and the new Service Building. He feels CBU is fortunate to have dedicated and qualified staff. He concluded by quoting Edward R Murrow, "Good night and good luck!"

#### ADJOURNMENT:

The meeting was adjourned at 5:31 p.m.

  
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L. Thomas Swafford, President